

My name is Kenneth Gunter and my wife Susan and I would like to comment regarding the proposed FTC rules governing Business Opportunities. I've looked at numerous business opportunities before and since becoming affiliated with Quixtar.com and the Britt World Wide business system seven years ago. My wife, Susan, and I have been Independent Business Owners (IBO's) affiliated with Quixtar.com since it launched in September 1999. We are very happy with the business opportunity that Quixtar.com offers and the way the Britt World Wide business systems assists us with our home based business. We have been able to meet a number of goals because of our home based business including getting out of debt, putting our children in private school, and bringing Susan home from her full time job as a Registered Nurse. I'm looking forward to being able to come home shortly from my current job to be a full time business owner.

Susan and I fully support the FTC's assistant in keeping business scams out of the market place and helping to guide basic rules of conduct. BUT we are very concerned about the FTC placing undo burden on legitimate and honest business opportunities while doing little to nothing to affect the scam businesses that may arise in the market place.

Here are the specific concerns we have with the proposed FTC rules:

- 1- The requirement of a seven-day waiting period.
 - a. **NEGATIVE IMPACT:** This requirement would severely impacted a legitimate business opportunity such as Quixtar.com offers by putting a undo burden of time and money on to legitimate business owners while having little impact on scams because they can easily work around this rule. Remember their scams and do not care what limits you place on them. This rule will only hurt those legitimate business owners that follow the rules.
 - b. **EAMPLE:** If this rule were in place and I traveled from my home in Virginia to assist an new business owner get started in South Carolina, which I recently did, I would have to either travel down and stay (at my expense and lost opportunity) for eight days to accomplish what was currently accomplished in a day. Or I would have to make two separate business trips again at my cost and lost opportunity. This would greatly increase my expenses and time which would reduce my profitability and the profitability of those I was helping.
 - c. **BETTER SOLUTION:** I understand that a person looking at a business opportunity might feel pressured to sign up and later feel "buyer's remorse" and change their mind. That happens with everything in life. A better solution is to do what Quixtar.com does; First it keeps the initial start cost minimum (in Quixtar.com's case around \$80, less then dinner and a movie). Second offer a money back guarantee like Quixtar.com does for six months. This gives a person plenty of time to check out and try the business opportunity and see if it's right for them.
- 2- The requirement to provide references:
 - a. **NEGATIVE IMPACT:** This requirement violates our privacy by having other people give out our name, address, and phone number. And this accomplishes nothing, do you think I would give out other business associates that would give anything except a positive report if contacted.
 - b. **EXAMPLE:** I can easy see how scam artists would use this rule against legitimated business opportunities. One of many ways to abuse this rule would be for scam artists to act like they are interested in seeing our business just to get a list of business owners to target in scams/rip-offs, trying to steal people away to other opportunities, or identify theft.

- c. **BETTER SOLUTION:** Keep startup cost low and insure business opportunities offer a refund policy on goods/services and startup costs similar to how Quixtar.com does it. That way people have the chance to work with the business and products without violating existing business owner's right to privacy.
- 3- The requirement to provide a "litigation list":
 - a. **NEGATIVE IMPACT:** This puts undo burden on the business owners and provides little value to a person evaluating a business. This is like saying you're a real estate agent working for Century 21 and before you can sell a person a house you have to give them a list of every litigation involving every real estate agent working with Century 21. There are millions of business owners working with Quixtar.com all around the country and all around the world. This is impractical and meaningless, just because someone in California or Texas does not run their business correctly that does not say anything about my ethics or the legitimacy of the business opportunity.
 - b. **EXAMPLE:** Another example of how meaningless a "litigation list" is that it does not account of lawsuits with no merit. Anyone can file a lawsuit for anything and without merit, that's how a lot of people and their lawyers make a living filing numerous lawsuits hoping most big companies will settle vs. go through the cost of court. Wal-Mart is the largest retailer in the world and has had hundreds of thousands of lawsuit, most without merit, over the last ten years. Does that mean Wal-Mart is a bad company and the FTC should shut them down tomorrow? Of course not.
 - c. **BETTER SOLUTION:** If a person wants to "check out" a company they should go to reliable resources like the Better Business Bureau, the National Camber of Commerce, the Direct Selling Associations, Dun and Brad Street, and the FTC which provide meaningful information. Most of which Quitar.com provides links to right from their main homepage.
- 4- The requirement for specific earnings disclosures and financial substantiation:
 - a. **NEGATIVE IMPACT:** I agree that as part of the explanation of the business plan we should give a prospect disclosure and explanations about the income potential a business like we currently are required by the FTC to provide to prospects via the SA-4400 form that is approved by the FTC for the Quixtar.com business opportunity. Any additional requirements by the FTC to provide prospects with my personal information such as copies of my tax returns is a violation of my privacy and exposes me to theft of person information.
 - b. **EXAMPLE:** The FTC does not require the employer or supervisor of any other industry to disclose personal financial data to potential employee's or prospects. This does not make sense.
 - c. **BETTER SOLUTION:** Leave the regulations alone in this area. Currently the FTC regulations adequately cover financial disclosures.

As I stated in the being we are all for the FTC assisting in protecting people and keeping scams out of the market place but let's do it smartly and in a way that accomplishes the goal without killing honest business models and opportunities. Thank you for the opportunity to provide input to this process.

Sincerely

Kenneth and Susan Gunter